U.S. BILATERAL INVESTMENT TREATY PROGRAM

The U.S. Bilateral Investment Treaty (BIT) program supports several key U.S. Government economic policy objectives, from protection of U.S. interests overseas to promotion of market-oriented policies in other countries to promotion of U.S. exports.

The BIT program's basic aims are to:

-- **protect U.S. investment abroad** in those countries where U.S. investors' rights are not protected through existing agreements such as our treaties of Friendship, Commerce and Navigation;

-- **encourage** adoption in foreign countries of **market-oriented domestic policies** that treat private investment fairly; and

-- **support** the development of **international law standards** consistent with these objectives.

The U.S. Government also believes that adequate and effective protection for intellectual property rights is an essential element of an attractive investment climate. Consequently, prospective BIT partners are generally expected, at the time the BIT is signed, to make a commitment to implement all World Trade Organization (WTO) Trade-Related Aspects of Intellectual Property Rights (TRIPS) agreement obligations within a reasonable period of time.

The U.S. Government has placed a priority on negotiating BITs with countries undergoing economic reform and where we believe we can have a significant impact on the adoption of liberal policies on the treatment of foreign direct investment. BITs also complement and support our regional initiatives on investment liberalization in the Asia Pacific Economic Cooperation Forum (APEC) and the Free Trade Area of the Americas. In addition, BITs lay the policy groundwork for broader multilateral initiatives in the Organization for Economic Cooperation and Development (OECD) and eventually, the WTO.

U.S. Bilateral Investment Treaties provide U.S. investors with **six basic benefits**:

First, our BITs ensure that U.S. companies are entitled to be treated as favorably as their competitors.

-- U.S. investors are entitled to the better of national treatment or most favored nation (MFN) treatment when they seek to initiate investment and throughout the life of that investment, subject to certain limited and specifically described exceptions listed in annexes or protocols to the treaties.

Second, BITs establish clear limits on the expropriation of investments and entitle U.S. investors to be fairly compensated.

-- Expropriation can occur only in accordance with international law standards, that is, for a public purpose, in a nondiscriminatory manner, under due process of law, and accompanied by payment of prompt, adequate, and effective compensation.

Third, BITs provide U.S. investors the right to transfer funds into and out of the host country without delay using a market rate of exchange. This covers all transfers related to an investment, including interest, proceeds from liquidation, repatriated profits and infusions of additional financial resources after the initial investment has been made. Ensuring the right to transfer funds creates a predictable environment guided by market forces.

Fourth, BITs limit the ability of host governments to require U.S. investors to adopt inefficient and trade distorting practices. For example, performance requirements, such as local content or export quotas, are prohibited.

-- This provision may also open up new markets for U.S. producers and increase U.S. exports. U.S. investors protected by BITs can purchase competitive U.S.-produced components without undue restriction on inputs in their production of various products.

-- U.S. investors protected by BITs can also import other U.S.-produced products for distribution and sale in the local market. They cannot be forced, as a condition of establishment or operation, to export locally produced goods back to the U.S. market or to third-country markets.

Fifth, BITs give U.S. investors the right to submit an investment dispute with the treaty partner's government to international arbitration. There is no requirement to use that country's domestic courts.

Sixth, BITs give U.S. investors the right to engage the top managerial personnel of their choice, regardless of nationality.

For further information contact the Bilateral Investment Treaty Coordinators at 202-736-4906 (Department of State) or 202-395-7271 (Office of the U.S. Trade Representative). This information sheet, as well as the text of selected BITs, can be found on the worldwide web at:
www.state.gov/www/issues/economic/7treaty.html

United States Bilateral Investment Treaties [7]

Country	Date of Signature	Date Entered into Force
Albania	January 11, 1995	January 4, 1998
Argentina	November 14, 1991	October 20, 1994
Armenia	September 23, 1992	March 29, 1996
Azerbaijan	August 1, 1997	*(See note 2)*
Bangladesh	March 12, 1986	July 25, 1989
Belarus	January 15, 1994	*(See note 4)*
Bolivia	April 17, 1998	*(See note 2)*
Bulgaria	September 23, 1992	June 2, 1994
Cameroon	February 26, 1986	April 6, 1989
Congo, Democratic Republic of the [6]	August 3, 1984	July 28, 1989
Congo, Republic of the	February 12, 1990	August 13, 1994
Croatia	July 13, 1996	*(See note 1)*
Czech Republic [5]	October 22, 1991	December 19, 1992
Ecuador	August 27, 1993	May 11, 1997
Egypt	March 11, 1986	June 27, 1992
El Salvador	March 10, 1999	*(See note 1)*
Estonia	April 19, 1994	February 16, 1997
Georgia	March 7, 1994	August 17, 1997
Grenada	May 2, 1986	March 3, 1989
Haiti	December 13, 1983	*(See note 1)*
Honduras	July 1, 1995	*(See note 1)*

Country	Date of Signature	Date Entered into Force
Jamaica	February 4, 1994	March 7, 1997
Jordan	July 2, 1997	*(See note 1)*
Kazakhstan	May 19, 1992	January 12, 1994
Kyrgyzstan	January 19, 1993	January 12, 1994
Latvia	January 13, 1995	December 26, 1996
Lithuania	January 14, 1998	*(See note 1)*
Moldova	April 21, 1993	November 25, 1994
Mongolia	October 6, 1994	January 1, 1997
Morocco	July 22, 1985	May 29, 1991
Mozambique	December 1, 1998	*(See note 1)*
Nicaragua	July 1, 1995	*(See note 1)*
Panama	October 27, 1982	May 30, 1991
Poland	March 21, 1990	August 6, 1994
Romania	May 28, 1992	January 15, 1994
Russia	June 17, 1992	*(See note 3)*
Senegal	December 6, 1983	October 25, 1990
Slovakia [5]	October 22, 1991	December 19, 1992
Sri Lanka	September 20, 1991	May 1, 1993
Trinidad & Tobago	September 26, 1994	December 26, 1996
Tunisia	May 15, 1990	February 7, 1993
Turkey	December 3, 1985	May 18, 1990
Ukraine	March 4, 1994	November 16, 1996
Uzbekistan	December 16, 1994	*(See note 2)*

[1] Entry into force pending ratification by both parties and exchange of instruments of ratification.
[2] Entry into force pending U.S. ratification and exchange of instruments of ratification.
[3] Entry into force pending other Party's ratification and exchange of instruments of ratification.
[4] Entry into force pending exchange of instruments of ratification.
[5] Treaty signed on October 22, 1991, with the Czech and Slovak Federal Republic and has been in force for the Czech Republic and Slovakia as separate states since January 1, 1993.
[6] Formerly Zaire.
[7] U.S. investment in Canada and Mexico is covered by Chapter Eleven of the North American Free Trade Agreement (NAFTA) which contains provisions similar to BIT obligations.

Last updated: March 18, 1999.